G. R. S. IX-5]

Previous references.
L.B 20-15, Sh 8+9 B Mar 16
G.F. 50-12, Sh 2+3 B Oct 12
Mcl 236-15, Sh 4+12 B July 16
L.B 146-14, Sh 1, 2, 7 + 8 B Dec 14
L.B 20-15, Sh 1-4 B Dec 15.
Later references.

1916-17 (S.R)

S.R. 120-16 Pt 3 85, fls. Flds
L.B 120-18 Pt 107.

File No. 120-16

Serial Nos. 1 and 2

GENERAL AND REVENUE SECRETARIAT.

Serial Nos. 1 and 2

Part B for December 1916.

SUBJECT.

Shimoga District Board Railway Debenture loan and Chitaldrug Town water Supply Debenture loans-

Sh. 1. Proposal-

Requests orders in the matter of procedure to be followed in paying interest on amounts subscribed for the loans and in receiving first and further instal to make up the total amounts of debent applied for.

W D 88—GPB—50,000—24-7-16

Sh. 2. 4th order:-

Furnishes comparative statement of certain orders of Govt on ce points connected with the loans raised for D.B

G. R. S. 11] 1916-17

GENERAL AND REVENUE SECRETARIAT.

( )

NOTES.

File No. 129/16

FILE HEADING.

[illegible]

From

No.	Dated	Received
Diary No.	Enclos. 3 Spare Copies.	Serial No.

BRIEF ABSTRACT OF LETTER.

NOTES AND ORDERS.

Subt with references.

2 The points requiring orders are given in paras 2, 3 and 4 of the Comptroller's letter. They are :-

(i) Comptroller's countersignature on debenture bonds.

NOTES—First Sheet.

(2

G. R. S. 12]

General and Revenue Secretariat. | G. F. File No. 120 of 1916-17.

Serial No.

(2) Use of Special water-lined paper for interim orders.

(3) Issue of warrants from the President's office for interest due on the ~~interim orders and the~~ debentures.

and (4) Payment of interest on the Loan debentures in all the treasuries of the State.

Subs
Hon
27-11-16

3).

(1). Comptr's countersignature seems to be necessary to the debenture bonds but not to ad interim orders - But as ~~the~~ ~~of~~ (2). Some of the interim orders already issued bear his signature, the remainder will also have to be signed by him for the sake of uniformity.

The ad-interim order represents the debentures for the time being & c/s time is desirable M 11/11

(2). Not very necessary (though it is desirable in future) Some must have been issued already.

Not necessary M 11/11

(3). The President desires to ~~have~~ adopt the same procedure for payment of interest as is in force ~~with~~ in the case of Govt bonds. Though attaching silent Coupons to the Bonds may be more convenient, there is no reason why the President's proposal should not be agreed

Pres's proposal may be approved. M 11/11

(4) May be done.

No objn. M 11/11

Pl see) ~~Dy~~ Secy

8.11.16

8 Vide margin M 11/11

9 Draft M

NOTE—Contn. sheet.

GPB—70,000—17-12-15

G. R. S. 12]

1105

(3)

General and Revenue Secretariat. | G.7 File No. 120 of 1916-17

Serial No.	
	Draft Subd. Hon. 6/12/16 Tidy draft he Tidy draft Subd. Hon. 7/12/16 (1st Member) he 7/12/16
996 8.12.16	Draft approved by the First Member 8.12.16 Ormsby
2	To The Comptroller & Govt. No 2981 of 13.12.16 ~~Insists certain orders of Government, as explained to the enquiry of the Comptroller~~ Communicates orders of Govt on the Several points raised by the Comptroller.
B	

NOTE—Contn. sheet.

GPB—70,000—17-12-15

1105

It is requested that in future communications on the subject, the No. and date of this letter, and the distinguishing letters below the number as given opposite, may be quoted and addressed to the Comptroller, Mysore Government.

the communications

T216-17
C.S. 7
12-9-16

3966 No. B & R 410 Encls. three.

OFFICE OF THE COMPTROLLER, MYSORE GOVERNMENT,

Dated Bangalore, the 18th November 1916.

FROM

~~S.CHAKRAVARTI Esq., M.A.,~~
M.N.Krishna Rao Esq.,
Offg: *Comptroller to the Government of His Highness the Maharaja of Mysore.*

/1916

To

Rajamantrapravina Diwan Bahadur
J. S. Chakravarti Esq., M.A., F.R.A.S., etc,
Secretary to the Government of Mysore,
Financial *Department.*

SIR,

I have the honor to invite the attention of Government to ~~Government~~ Orders Nos. 2510-2/L.B.20-15-2 and 7288-80/L.B.20-15-9 dated 24th September 1915 and 29th March 1916 respectively, approving of the form of Shimoga District Board Railway Debenture Bond and ad interim orders and No. 673-5 & 236-15-2 dated 20 July 1916 (in respect of Chitaldrug D.B.)

I beg to report that the President of the Shimoga District Board was addressed in my letter of the 14th October last (copy enclosed) in regard to the procedure to be followed in paying interest on amounts subscribed for the Shimoga District Board Railway Debenture Loan and in receiving first and further instalments to make up the total amount of debentures applied for. A copy of the same was also sent to the President of the Chitaldrug District Board and Municipality for his opinion as to whether the suggestions contained therein were suitable to the two loans of his district. I submit for the information of Government copies of communications received from both the officers in reply to my letter (Vide (1) O.C.819 (L.B.) dated 28th October 1916 from the President, Shimoga District Board and (2) D.Dis.No.121M1/16-1 dated 27th October 1916 from the Deputy Commissioner, Chitaldrug).

2. It will be seen from these replies that both the officers are agreeable to adopt generally the procedure suggested by me.

The

Rec.—Gl. 18]

.....Department.

191 .

FROM

~~J. S. CHAKRAVARTI, Esq., M.A.,~~
~~I.R.A.S., etc.,~~

Offg. *Comptroller to the Govt. of*
H. H. the Maharaja of Mysore.

To

.....Esq.,

The *Secretary to the Govt. of Mysore,*
~~Financial~~.....*Dept.*

Dated 21st
Despatched 22nd } November 1916.
Received 3966
No. B. R. 470 } 3

Subject matter.

Reporting the procedure proposed to be adopted in the case of the several debentures due and requesting orders on certain points.

GPB—1000—21-9-11

The Deputy Commissioner, Chitaldrug, considers Comptroller's countersignature on the debenture bonds necessary as the loans have been raised under the sanction and authority of Government and as such countersignature is calculated to carry weight and importance in the eye ~~estimate~~ of those that deal in these bonds. The Deputy Commissioner, Shimoga, is also of the same opinion but is prepared to abide by the decision of Government in the matter. The matter is therefore submitted for the orders of Government. As regards countersignature to the ad interim orders which the Deputy Commissioner, Shimoga, suggests, on the ground that some have already been so countersigned, I beg to state that it is only when these orders are prepared and issued for the first time that countersignature by Comptroller is possible as entries for all payments of subsequent instalments are made on the interim orders by the President himself on treasury credit statements and the ad interim orders cannot evidently come up to the Comptroller for countersignature as often as the payments of instalments are to be made on them. There is therefore no use in affixing Comptroller's countersignature to the interim orders which are temporary documents given to parties for payments made by them, pending the issue of regular debentures on completion of payment.

3. The other matters which call for orders of Government on account of difference of opinion between the Deputy Commissioner, Shimoga, and myself are summarised below for ready reference:

(a) The proposal to use special water-lined paper for interim orders. The President thinks it unnecessary to avail himself of the security afforded by this measure.

(b) The suggestion to issue warrants from the President's Office for interest due on the interim orders and the debentures has been accepted by the Deputy Commissioner, Chitaldrug. The Deputy Commissioner, Shimoga, admits the convenience of this arrangement as regards payment of interest on interim orders, but thinks it unnecessary in the case of debentures and suggests the adoption of the existing procedure for payment of interest on State Loan Notes. The system of issuing interest warrants is convenient in the case

of

of ad interim orders as these are not negotiable. In the case of debentures, the President's Office will not know the holders for the time being and the issue of warrants is therefore not possible unless the warrants are to be issued on production before the President of the Bank each time that interest on them has to be paid. This procedure no doubt causes inconvenience to the holders but is in force in respect of debentures of Presidency town Corporations in British India. If the system obtaining in the case of the State Loan notes is to be followed it will entail considerable work on the treasuries and also affords scope for misclassification of payments relating to different loans of different Local Bodies made at the same treasury. It would be convenient if the arrangement of paying interest on coupons attached to the bonds is adopted. It is not necessary to make the debentures bearer bonds and it is enough if the interest coupons are made payable to bearer.

4. One other important matter which requires sanction of Government is the arrangement required to pay interest on the Shimoga and Chitaldrug Loan Debentures in all the treasuries of the State. As such an arrangement has been approved by Government in Order No. Camp.201-3/Gen.Fin.50-12 dated Camp Mysore, 29th October 1912 in case of the interest payable on the Kolar District Board Railway Debentures, the arrangement has to be adopted in the case of the other loans also. The interest will be treated as payable in the the Shimoga and Chitaldrug District Treasuries in regard to the respective loans, but it will be open to the debenture holders to have the debentures enfaced by the President concerned for payment of interest in other treasuries outside the District concerned.

5. As the arrangements proposed by me have to be brought immediately to effect I request the favor of very early orders in regard to the suggestions contained above.

I have the honor to be,

Sir,

Your most obedient servant,

M N Venkatarama Rao

Offg: Comptroller.

SAM.

18/11/16

Copy of letter dated 14th October 1916, from the Comptroller, Mysore Government, to the President, District Board, Shimoga.

I have the honor to address you regarding the procedure to be followed in paying interest on amounts subscribed for the Shimoga District Board Railway Debenture loan and in receiving first and further instalments to make up the total amounts of debentures applied for.

2. The condition under which instalments of loan amounts are to be paid by subscribers and interest is tobe paid to them are the following as sanctioned in Government Order No.3319-22/ Fs.146-14-2 dated 26th October 1914.

i. The first instalment should be not less than of amount of debenture applied for.

ii. The balance to make up the full amount of debentures offered to be taken up should be paid in two years in response to calls for instalments made by the Board.

iii. Interest is to be calculated from date of receipt of instalments and paid on 1st January and 1st July of each year.

3. It is already more than two years since the first instalments of subscribed amounts began to be received and the circumstances in which the whole loan was expected to be required in two years have changed and condition No,ii requires revision and I request necessary action may be taken in this respect. In the meantime it is necessary to lay down a procedure for regulating the receipt of further instalments from subscribers who have already paid their first instalments and of first instalments from new subscribers and for paying interest until the close of the period during which the loan is open to be subscribed for.

4. It is presumed that the loan is open to be subscribed

for

by people in all the Districts and not only by these in the Shimoga District. It is also presumed that payment of interest both on ad interim interest orders and on debentures issued for fully paid up amounts has to be arranged for in all the Districts

Receipt of first instalment.

5. The subscribers may be required to pay their first instalments to any of the treasuries in the state with duplicate Chalans of which one will be given to them by the treasury as receipt for amounts paid by them. A subscriber will submit this receipt to you and request the issue of an ad interim interest order. The Comptroller's Office will send you monthly statements showing the amounts credited towards the Shimoga District Board Railway Debenture loan in all the Districts. These statements will enable you to verify the claims of subscribers and after thi verification is made you may issue to them ad interim interest orders.

6. The practice has so far been for the ad interim interest orders to be sent to this office for the Comptroller's countersignature. The loan is one raised by the District Board and the Comptroller has only to account to you for amounts received in the Treasuries towards the loan and such account is rendered to you by furnishing you with verified statements of amounts credited in Treasuries. In view of these considerations the need for the Comptroller's countersignature to the interest orders or the debentures is not evident and the existing procedure of obtaining such signature may I think be discontinued.

7. The paper on which ad interim interest orders are now printed is ordinary blue foolscap. It is better to use for this purpose water.lined or other special paper as a precaution against any attempt at fraud. The next supply of forms may be on special paper selected in consultation with the Superintendent, Government Press and the Treasuries may be instructed that all ad interim interest orders used after a particular date will be on the special paper selected for the purpose.

8. Receipt of subsequent instalments.

The subscribers may be required, while tendering second and subsequent instalments to present to the Treasury their ad interim interest orders and chellans in duplicate. The Treasury Officer may be required to acknowledge the receipt of amounts on the ad interim interest orders and return immediately these latter to the subscribers. No separate acknowledgment on a chellan is necessary under this arrangement to be given to subscribers and accordingly of the two chellans presented by a subscriber one with the Treasury acknowledgment may be required to be sent to you by the receiving treasury on the very day on which the amount is credited in its accounts. The full names of subscriber and number of the ad interim interest order should be required by the treasury to be entered in the chellans presented by subscribers. From these chellans the loan ledger in your office may be written up and entries in it made on the strength of such chellans verified on receipt of statements of credits to be sent to you monthly by this office.

Payment of interest.

9: Most of the subscribers to the loan will be persons in the Shimoga District and the bulk of the interest payments will have to be made in that District. To meet however the convenience of subscribers residing in other Districts it will be necessary to arrange for paying interest due to such subscribers at treasuries in other Districts and this may be done by enfacements over your signature.

10. The interest payable on ad interim interest orders will not sometimes be for full half years as instalments will be paid by subscribers on different dates and the amount payable may therefore fluctuate from half year to half year. It will impose unnecessary work on Treasuries if they are required to calculate amounts due on the interest orders before paying them. The treasuries can only be required to pay definite amounts authorised to be paid. The best arrangement under the

circumstances for providing for payment of interest due on ad interim interest orders is to issue interest warrants prepared in your office and bearing your signature. From the loan ledger and the dates of receipt of an amount of instalments entered therein the amount payable to subscribers for each half years may be calculated and interest warrants issued to them. The subscribers may when claiming the interest at the Treasury be required to present their ad interim interest orders and the interest warrants issued by you. The Treasury will obtain the receipt of subscribers on the warrant form and note the payment on their interest orders. The receipted warrants will be received in this office as vouchers in support of paymanets and they will be sent to your for recording payment against the accounts of the respective subscribers. All the treasuries in the state may be authorised to pay interest on the warrants issued by you. The interests warrants may be made current for three months and if payment is not taken on them within this period they may be required to be renewed under your signature before they can be paid at the Treasury. In a few cases full amounts of debentures have been paid and bonds have been mostly issued to subscribers. Interest warrants may be issued in the case of these debentures also.

Dates of payment of interest.

11. According to the Government Order No.3319-22/L.B.146-14. dated 26th October 1914 interest is payable on 1st January and 1st July. The receipt of instalments in the months of June and December cannot be verified with the Treasury statements of credits until about the third week of the succeeding months-- July and January, and before this verification is made it will not be possible to calculate the interest due and issue warrants authorising payment. The earliest half yearly dates on which interest can be paid are therefore 1st August and 1st February. The warrants will be prepared from register No.IV referred to in para 13 infra immediately after the close of the half year concerned and issued as soon as the Treasury statement of credits

(8

for the months of June and July are received from this office and the credits of the month are verified. After the loan is closed and all debentures are issued, interest will be a fixed amount and it can be paid on 1st January, and 1st July, and warrants issued about a week or fortnight before the close of the half year concerned.

12. Issue of Debentures.

When the last instalment for making up the whole amount is paid, the subscribers may be required to send to you their ad interim interest orders for issue of debentures. After the receipt of instalments noted in such orders is verified with statements of Treasury credits, debentures for amounts applied for by subscribers may be prepared, signed, noted in register No.VIII and issued to them. The ad interim interest orders thus replaced by debentures should be destroyed by you or under your personal supervision after the fact of destruction and of issue of debenture is noted in the register of ad interim interest orders.

Registers &c to be kept in your Office.

13. For recording the transactions relating to the loan accounts, the following registers, accounts &c may be maintained in your office:-

(i) File of Challans sent by subscribers for payment of 1st instalment and by treasuries for 2nd and subsequent instalments.

(ii) File of statements of treasury credits sent monthly by the Comptroller.

(iii) Register of ad interim interest orders issued.

(iv) Register for record of interest paid on ad interim orders and debentures.

(v) Counterfoil interest warrant books printed on special paper.

(vi) Monthly account of loan.

(vii) Account of interest authorised and paid.

(viii) Register of debentures issued,

(ix) Intimation of enfacement for payment of interest.

The forms of registers and forms Nos.iii to ix will be supplied to you shortly.

Audit of Loan Accounts.

13. The examination of registers and accounts relating to the loan will be made by the Local Audit Staff of this office along with the audit of the other accounts of the Board,

14. If you agree to the adoption of the procedure detailed in the preceding paras, I request you to take further action in the matter for arranging for payment of interest due to subscribers who have long been pressing for it. On hearing from you in reply to this letter the necessary instructions will be issued to the Treasuries.

15. The payment of interest on amounts already received towards the loan is long overdue and it is therefore necessary to take very prompt action in the matter. The procedure proposed, if agreed to by you may therefore be adopted and acted on. A report regarding the procedure adopted will be submitted to Government.

" C O P Y "

Assistant Examiner,
Records Section,
Comptroller's Office.

SAM.

Letter No.O.C.819(L.B)/Ry. dated the 28th October 1916, from the President, District Board, Shimoga to the Offg: Comptroller to the Government of Mysore, Bangalore.

With reference to your letter No.1 dated Camp, Mysore, 14th instant regarding the procedure to be adopted in paying interest on amounts subscribed for the Shimoga District Board Railway Debenture loan and in receiving first and further instalments to make up the total amount of debentures applied for, etc., I have the honor to state that the suggestions given by you may be followed with some alterations as detailed below.

2. The condition Nos.1 and III referred to in your letter as laid down in Government order No.3319-22/L.B.146-14-2 dated 26th October 1914 were strictly adhered to in the matter of the collection of first instalment and of the calculation of interest on the on the deposit from the date of credit. But condition II has been deferred, till the alignment of the Railway line is made and a separate reference will be made in due course to Government to revise this clause.

3. The loan is open to be subscribed for by the people of all the Districts in Mysore, as well as by the people outside the State and as such the payment of interest both on the fully paid up bonds and on ad-interim interest orders has to be arranged for, in all the districts.

4. Suggestions made in para 5 in regard to the receipt of first instalment may be followed. But the duplicate challan presented by the party may be returned to him with the necessary Treasury Certificate to be kept by him, as at present, till he receives an ad-interim interest order on bond in exchange as the application itself, which is sent direct by the treasuries to this office, bears the certificate of the Treasury Officer for the receipt of the money.

5. The practice of getting the bonds and ad-interim interest orders countersigned by the Comptroller is intended to have afurther check over the entries made in the President's Office, with reference tothe credit statements in the Comptroller's Office. As the loan is a guaranteed one by the Government, though raised by the District Board, it is perhaps desirable that the bonds at least, if not the ad-interim interest orders should bear the countersignature of the Comptrollet or some officer of Government, other than the President. It is however for Government to settle whether such countersignature is necessary or not. As about 1069 adinterim interes orders have already been countersigned by the Comptroller it seems necessary to have all the rest also countersigned for the sake of uniformity.

6. As the ad-interim interest order is a very temporary one intended to be eventually replaced by the bonds, the suggestion given by you in para 7 of your letter for getting the same printed on some waterlines or special paper seem to be unnecessary.

7. As regards the procedure for receiving subsequent instalments, the suggestionsproposed by you may be adopted. But it seems necessary to issue direct to the party by the President, an advice after the money is credited to his loan account.

8. Ordinarily the interest will be payable in the Shimoga District Treasury. If the party so desires it to be paid in any of the Treasuries in the State outside this district, the suggestions made in para 9 may be adopted, but the present practice in the case of debentures issued by the Kolar District Board seems to be for the Comptroller to make such enfacements.

9. Interest warrants in case of ad-interim interest orders as detailed in para 10 of your letter may be issued. An advice of the issue of such warrants from the President to the treasury

officers concerned seems to be a necessary precaution and so t warrant forms have to be got printed in triplicate as in the case of District Fund cheque books. When debentures are once issued, the half yearly interest due is settled and printed on the reverse of the bond form, the certificate of payment being made in the column provided for therein and so interest warrant for every half year on bonds seem to be necessary. For the broken period if any, in the beginning a warrant may be issued and the treasury where subsequent payment is required to be made may be intimated that the payment of interest is to be mad there, on production of the bond every half year at the rates printed on the reverse.

10. As the dates of payment of interest on the debentures are fixed to be 1st January and 1st July of every year and are printed on the back of the bond forms, it will lead to a great confusion and trouble, if the dates are changed now as proposed in para II. There will be no difficulty under the present system in paying interest on the fully paid up shares on the dates printed on the bonds.

11. The other suggestions may be adopted without any modification.

12. If you agree to the alterations proposed, I request that definite orders may be issued to all the treasuries and that the necessary forms and registers etc., may be supplied at a very early date.

"Copy"

Asstt: Examiner,
Records,
Comptroller's Office.

U.

Letter No., D.Dis.No.121-Ml./16-17 dated 26th/27th October 1916, from the President, District Board, Chitaldrug District, to the Comptroller, Mysore Government.

With reference to your letter dated 14th October 1916, re t. procedure to be adopted in respect of loans, I have the honor t. state that the procedure suggested in your letter to the Presid. of the Shimoga District Board may be made applicable to the two loans that are being raised in this District.

As regards countersignature, I think that it is not necessary on the ad interim orders but the debenture bonds may be countersigned by you as the form of the bond is already approved by the Government. Countersignature on bonds seems necessary as the Municipality is raising the loan on behalf of the Government tothe extent of three.fourths of the amount and the District Board also is raising it under the sanction, and authority of the Government. Countersignature will also carry weight and importance in the estimation of the public, who may deal in thes bonds.

Further it appears sufficient if we say "Ad interim orders" instead of "Ad interim interest orders,"

With these modifications, I request that needful instructions may be issued to the treasuries early. As regards the registers and accounts to be kept, I shall address you again on receipt of the forms of the registers.

" C o p y "

Assistant Examiner,
Records Section,
Comptroller's Office,

SAM.

V

G. R. S. 26] 9/12

SUBJECT.....

.....

.....

Diary No. of letter replied to.....

General and Revenue Secretariat

( )

, *the* 191 .

Date of issue 13-12-16

Signed by Mr Chamarama

Section C. 4.

File No. 120 —

Serial No. 2.

No. H 2981

& 13 December 16

To The Comptroller

Sir,

With reference to your letter no: 3966/B&R 410 dated the 18th Nov'16 forwarding copies of correspondence between yourself and the Presidents of the District and Municipal Boards of Shimoga and Chitaldrug on certain points connected with the loans raised

them for Railway extension and Water Works

by ~~the Shimoga and Chikkadroog District Boards~~, I am directed to note below the orders of Govt. on the several points ~~on which you seek orders of Government~~ contained in your letter.

(1) ~~You may countersign~~ The debenture bonds as also the ad interim orders which represent the debentures for the time being. Should be countersigned by you -

(2) Special water lined paper is not absolutely necessary for interim orders.

(3) Govt. see no objection ~~to the proposal of the President of the Shimoga to arrange payment of interest as in the case of Govt. loan paper being adopted~~ on these loans as in text, being arranged who paid in the same manner as in text on Govt. loan paper - List of enclosures.

Copied by

Examined by

(4) Arrangements may be

GPB—20,000—14-2-14

GENERAL AND REVENUE SECRETARIAT.

(*Continuation sheet draft form.*)

made to pay interest all treasuries.

I have &c

for Finl Secretary
7-12-16

Hire
7.12.16

GPB—20,000—7-7-14